

# Rebar shortages continue to plague construction industry

The building and construction industry, already struggling through difficult economic times, has been struck another blow – a serious shortage of reinforcing steel (rebar) in the country.

Rebar suppliers and manufacturers have now begun defaulting on their contracts with construction companies to deliver processed (cut and bent) rebar, due to the nationwide shortage of raw material available from the local steel mills.

The lack of ability of the mills to supply rebar was largely due to the breakdown of ArcelorMittal's mill in Newcastle as well as the closure of a non-profitable mill in Cape Town, CISCO. The backlog due to the breakdown has never been caught up and with CISCO not being there to supply about 25% of the market, as they used to, the situation has become critical.

The three mills currently supplying the market have placed all of their customers on allocation. The mills are generally not able to adhere to delivery dates, making it impossible for the companies that process the steel to adhere to construction programmes and deadlines. This is likely to cause massive cost and time overruns for contractors and developers alike.

The South African Reinforced Concrete Engineers Association (SARCEA) has reported that its members are all experiencing the same shortages nationwide.



Rod Mountford, director of the South African Reinforced Concrete Engineers Association

"There is very little that the Association's members can do about this general shortage, barring importing steel bars from international mills, which requires a two to three month delivery period and extensive outlays of capital", says Rod Mountford, director of the Association. This is the choice faced by an industry which is reeling from the decline of work in the construction sector, struggling with low margins and is generally cash strapped. To make matters worse and in order to keep the cost overruns of imports to a minimum, it is necessary to import very large quantities, making it unaffordable for the smaller companies.

It is uncertain when these shortages will end and some companies have entered into the process of importing steel but it may be a case of "too little, too late" in order to avoid costly delays and time overruns. ■

## Fulton Awards 2011: 31 major projects



Berg River Dam, winner of the Civil Engineering category in the 2009 Fulton Awards

Thirty-one major South African building and civil engineering projects will compete for this year's Fulton Awards to be held at a gala function at Champagne Sports Resort in the Drakensberg on 4 June.

The prestigious awards for excellence in the use

of concrete are made every two years by the Concrete Society of Southern Africa (CSSA), with the Cement & Concrete Institute (C&I) as anchor sponsor. There are six categories: Civil Engineering, Building, Concrete in Architecture, Unique Design Aspects, Construction Techniques, and Innovative Technologies.

### The entries for this year's Awards are:

Gautrain Project – Balanced Cantilever	Bombela CJV
15 Alice Lane Towers	Sotiralis Consulting Engineers
Port of Ngqura Container Terminal – Phase 2	Hochtief Concor JV
Hospital Bend Pre-selection Scheme	BKS
New Auditorium, Vaal University of Technology	G. Liviero & Son Building
Gillooly's Interchange Bridge	Goba
Warwick Triangle Viaduct	Goba
Cape Town Stadium	BKS
Mgeni Viaduct	SSI Engineers & Environmental Consultants

Blackburn Pedestrian Bridge	SSI Engineers & Environmental Consultants
Incrementally launched bridge N1/R21	Aurecon
Peter Mokhaba Stadium	Aurecon
Radar Tower George Airport	Stefanutti Stocks Civils
Radar Tower King Shaka International Airport	Stefanutti Stocks Civils
Mountain House Roofs	Hulme & Associates
Mohokare Bridge	BKS
Dube Trade Port and King Shaka International Airport	BKS
Coega River Bridges	Basil Read/Newport Construction JV
Moses Mabhida Train Station	Arup
Rehabilitation of Bospoort Dam Wall and Auxiliary Spillway	Stefanutti Stocks Civils
Widening of St Andrews Bridge	Stefanutti Stocks Civils
KSIA N2 incrementally launched bridge	Ilembe Engineering JV
Durban Harbour entrance widening and deepening	Group 5
Bridge Jack under railway line N17	Group 5
Gautrain absorptive/reflective noise barriers	Southern Pipeline Contractors
New parkade for Cape Town International Airport	GLS JV
Nelson Mandela Bay Stadium	KV3 Engineers
Circa on Jellicoe	Studio MAS
7th Avenue Pedestrian Bridge	SSI Engineers & Environmental Consultants
Gautrain Viaduct 15 and elevated station	Vela VKE
Cape Town BRT	Chryso SA